

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.



5

LIBRARY
U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

United States Department of Agriculture

SERVICE AND REGULATORY ANNOUNCEMENTS No. 87
(AGRICULTURAL ECONOMICS)

REGULATIONS

OF THE SECRETARY OF AGRICULTURE
UNDER THE

UNITED STATES WAREHOUSE ACT OF
AUGUST 11, 1916

AS AMENDED

REGULATIONS FOR
WAREHOUSEMEN STORING DRY BEANS

APPROVED AUGUST 25, 1924



United States Department of Agriculture

SERVICE AND REGULATORY ANNOUNCEMENTS No. 87

(AGRICULTURAL ECONOMICS)

REGULATIONS

OF THE SECRETARY OF AGRICULTURE
UNDER THE

UNITED STATES WAREHOUSE ACT OF
AUGUST 11, 1916

AS AMENDED

REGULATIONS FOR
WAREHOUSEMEN STORING DRY BEANS

APPROVED AUGUST 25, 1924

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the United States warehouse act, approved August 11, 1916 (39 U. S. Stat. L., p. 486), as amended, I, Henry C. Wallace, Secretary of Agriculture, do make, prescribe, publish, and give public notice of the following rules and regulations, to be known as the Regulations for Bean Warehouses, and to be in force and effect until amended or superseded by rules and regulations which may hereafter be made by the Secretary of Agriculture under said act.



In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 25th day of August, 1924.

Henry C. Wallace

Secretary of Agriculture.

REGULATIONS FOR WAREHOUSEMEN STORING DRY BEANS UNDER THE UNITED STATES WAREHOUSE ACT

Regulation 1. Definitions

SECTION 1. Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

Words import singular or plural.

SEC. 2. For the purpose of these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean—

Terms defined.

Paragraph 1. *Beans*.—Only dry edible beans used for human consumption.

Beans.

Paragraph 2. *The act*.—The United States warehouse act approved August 11, 1916 (39 U. S. Stat. at L., pp. 446, 486), as amended.

The Act

Paragraph 3. *Person*.—An individual, corporation, partnership, or two or more persons having a joint or common interest.

Person.

Paragraph 4. *Secretary*.—The Secretary of Agriculture of the United States.

Secretary.

Paragraph 5. *Chief of the Bureau*.—The Chief of the Bureau of Agricultural Economics.

Chief of the Bureau.

Paragraph 6. *Regulations*.—Rules and regulations made under the act by the Secretary.

Regulations

Paragraph 7. *Bureau*.—The Bureau of Agricultural Economics of the United States Department of Agriculture.

Bureau.

Paragraph 8. *Warehouse*.—Unless otherwise clearly indicated by the context, any suitable building, structure, or other protected inclosure in which beans are or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which beans are or may be stored and for which a license has been issued under the act.

Warehouse.

Paragraph 9. *Warehouseman*.—Unless otherwise clearly indicated by the context, any person lawfully engaged in the business of storing beans and holding a warehouse license.

Warehouseman.

Paragraph 10. *License*.—A license issued under the act by the Secretary.

License.

Paragraph 11. *Licensed warehouseman's bond*.—A bond required to be given under the act by a licensed warehouseman.

Licensed warehouseman's bond.

Paragraph 12. *Licensed inspector*.—A person licensed under the act by the Secretary to inspect, to sample, to grade, and to certificate the grade and condition for storage of beans.

Licensed inspector.

Paragraph 13. *Receipt*.—A warehouse receipt.

Receipt.

Paragraph 14. *Dockage*.—See "Pick."

Dockage.

Pick.

Paragraph 15. Pick.—The term “pick” includes any material other than beans, together with undeveloped, shriveled, discolored, damaged, split, and small pieces of beans which are picked by hand or eliminated by mechanical means from the lot. The pick shall be calculated in terms of percentage based on the total weight of the beans including the material to be eliminated.

Regulation 2. Warehouse Licenses

Application
form.

SECTION 1. Applications for licenses under sections 4 and 9 of the act and for modifications or extensions of licenses under section 5 of the act shall be made to the Secretary upon forms prescribed for the purpose and furnished by the bureau, shall be in English, shall truly state the information therein contained, and shall be signed by the applicant. The applicant shall at any time furnish such additional information as the Secretary or the chief of the bureau shall find to be necessary to the consideration of his application.

Grounds for not
issuing license.

SEC. 2. A license for the conduct of a warehouse shall not be issued if it be found by the Secretary that the warehouse is not suitable for the proper storage of beans, that the warehouseman is incompetent to conduct such warehouse in accordance with the act and these regulations, or that there is any other sufficient reason within the purposes of the act for not issuing such license.

Net assets re-
quired.

SEC. 3. The warehouseman conducting a warehouse licensed or for which application for license has been made under the act shall have and maintain above all exemptions and liabilities net assets liable for the payment of any indebtedness arising from the conduct of the warehouse, to the extent of at least 20 cents per hundredweight of the maximum number of hundredweight that the warehouse will accomodate when stored in the manner customary to the warehouse as determined by the chief of the bureau, except that the amount of such assets shall not be less than \$5,000, and need not be more than \$100,000. If such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, such warehouses shall be deemed to be one warehouse for the purposes of the assets required under this section. For the purposes of this section only, paid-in capital stock, as such, shall not be considered a liability. Any deficiency in the required net assets may be supplied by an increase in the amount of the warehouseman's bond in accordance with paragraph 2 of section 2 of regulation 3.

Application for
modification or ex-
tension.

SEC. 4. Each application for a modification or extension of a license under section 5 of the act shall be made to the Secretary, upon a form prescribed for the purpose and furnished by the chief of the bureau, shall be in English, shall be signed by the applicant, and shall be filed

with the Secretary not less than 30 days before the date of the termination of the license then in effect. Time of filing.

SEC. 5. Immediately upon receipt of his license or of any modification or extension thereof under the act, the warehouseman shall post the same and thereafter, except as otherwise provided in these regulations, keep it posted until suspended or terminated, in a conspicuous place in the principal office where receipts issued by such warehouseman are delivered to depositors. License of extension shall be posted.

SEC. 6. Pending investigation, the Secretary, whenever he deems it necessary, may suspend a warehouseman's license temporarily without hearing. Upon written request and a satisfactory statement of reasons therefor submitted by a warehouseman, the Secretary may, without hearing, suspend or cancel the license issued to such warehouseman. The Secretary may, after opportunity for hearing, when possible, has been afforded in the manner prescribed in this section, cancel a license issued to a warehouseman when such warehouseman is (a) bankrupt or insolvent, (b) has parted in whole or in part with his control over the licensed warehouse, (c) is in process of dissolution or has been dissolved, (d) has ceased to conduct such licensed warehouse, or (e) has in any other manner become nonexistent or incompetent or incapacitated to conduct the business of the warehouse. Whenever any of the conditions mentioned in subdivisions (a) to (e) of this section shall come into existence it shall be the duty of the warehouseman to notify immediately the chief of the bureau of the existing condition. Before a license is revoked, or canceled for any violation of, or failure to comply with, any provision of the act or of these regulations or upon the ground that unreasonable or exorbitant charges have been made for services rendered, the warehouseman involved shall be furnished by the Secretary, or his representative, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4. Suspension, cancellation, or revocation of warehouse licenses.

SEC. 7. When a license issued to a warehouseman terminates or is suspended, revoked, or canceled by the Secretary, it shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless it be in the meantime revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, it shall be returned to the licensed warehouseman to whom it was originally issued, and it shall be posted as prescribed in section 5 of this regulation. Return of terminated, suspended, revoked, or canceled warehouse license.

SEC. 8. Upon satisfactory proof of the loss or destruction of a license issued to a warehouseman, a duplicate thereof may be issued under the same or a new number at the discretion of the Secretary. Lost or destroyed warehouse license.

Unlicensed warehousemen must not represent themselves as licensed.

SEC. 9. No warehouse or its warehouseman shall be designated as licensed under the act and no name or description conveying the impression that it or he is so licensed shall be used, either in a receipt or otherwise, unless such warehouseman holds an unsuspended, unrevoked, and uncanceled license for the conduct of such warehouse.

Regulation 3. Warehouse Bonds

Time of filing.

SECTION 1. Unless the warehouseman has previously filed with the Secretary the necessary bond required by section 2 of this regulation, he shall file such bond within a time, if any, specified by the Secretary, said bond to cover all obligations arising thereunder during the period of the license.

Amount based on storage capacity.

SEC. 2. *Paragraph 1.* Exclusive of any amount which may be added in accordance with paragraphs 2 and 3 of this section, the amount of such bond shall be at the rate of 20 cents per hundredweight or fractional part thereof, of the maximum number of hundredweight that the warehouse will accommodate when stored in the manner customary to the warehouse for which such bond is required, as determined by the chief of the bureau, but not less than \$5,000 nor more than \$50,000. If such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, and shall desire to give a single bond meeting the requirements of the act and these regulations for said warehouses, such warehouses shall be deemed to be one warehouse for the purposes of the bond required under this regulation.

Additional amount for deficiency in net assets.

Paragraph 2. In case of a deficiency in net assets under regulation 2, section 3, there shall be added to the amount of the bond, fixed in accordance with paragraph 1 of this section, an amount equal to such deficiency.

Additional amount for special conditions

Paragraph 3. If the Secretary finds the existence of conditions warranting such actions, there shall be added to the amount fixed in accordance with paragraphs 1 and 2 of this section a further amount, fixed by him, to meet such conditions.

Extension or modification of license and additional bond.

SEC. 3. If application is made under regulation 2, section 1, for a modification or an extension of a license and no bond previously filed by the warehouseman under this regulation covers obligations arising during the period of such modification or extension, the warehouseman shall, when notice has been given by the Secretary that his application for such modification or extension will be granted upon compliance by such warehouseman with the act, file with the Secretary, within a time, if any, fixed in such notice, a bond complying with the act, unless bond in sufficient amount has been filed since the filing of such application. In the discretion of the Secretary, a properly executed instrument in form approved by him,

amending, extending or continuing in force and effect the obligations of a valid bond previously filed by the warehouseman and otherwise complying with the act and these regulations may be filed in lieu of a new bond.

SEC. 4. Whenever a license has been issued for a period longer than one year, such license shall not be effective beyond one year from its effective date unless the warehouseman shall have filed a new bond in the required amount with, and such bond shall have been approved by, the Secretary prior to the date on which that license would have expired had it been issued for but one year, subject to the provisions of section 3 of this regulation.

New bond required to continue license beyond one year.

SEC. 5. No bond, amendment or continuation thereof shall be deemed accepted for the purposes of the act and these regulations until it has been approved by the Secretary.

Approval of bond

Regulation 4. Warehouse Receipts

SECTION 1. *Paragraph 1.* Every receipt, whether negotiable or nonnegotiable, issued for beans stored in a warehouse shall, in addition to complying with the requirements of section 18 of the act, embody within its written or printed terms the following: (a) the name of the licensed warehouseman and the designation, if any, of the warehouse, (b) the license number of the warehouse, (c) a statement whether the warehouseman is incorporated or unincorporated, and if incorporated, under what laws, (d) the tag number given to each lot of beans in accordance with regulation 5, section 10, (e) a statement conspicuously placed, whether or not the beans are insured, and, if insured, to what extent, by the warehouseman against loss by fire, lightning or tornado, (f) a blank space designated for the purpose in which the condition of the beans shall be stated, (g) a blank space designated for the purpose in which the variety of the beans shall be stated, (h) in the case of beans the identity of which is to be preserved, the identification or location, in accordance with regulation 5, section 10, (i) the net weight, including dockage or pick, if any, (j) the words "Negotiable," "Not negotiable," or "Nonnegotiable," according to the nature of the receipt, clearly and conspicuously printed or stamped thereon, and (k) a statement indicating the amount of shrinkage and/or pickage agreed upon between the depositor and the warehouseman, in the case of nonidentity preserved beans.

Contents of negotiable and non-negotiable receipts.

Paragraph 2. Every receipt, whether negotiable or nonnegotiable, issued for beans stored in a warehouse shall specify a period, not exceeding one year, for which the beans are accepted for storage under the act and these regulations, but, upon demand and surrender of the old receipt by the lawful holder thereof at or before the expiration of the specified period, the warehouseman, upon such lawful terms and conditions as may be

Storage period.

Extension of receipt.

granted by him at such time to other depositors of beans in the warehouse, shall issue a new receipt for a further specified period not exceeding one year, or, if he continues to act as a public warehouseman but not as a licensed warehouseman, shall issue a new nonlicensed receipt, provided it is actually determined by the licensed inspector that there has been no deterioration in the quality of the beans.

Additional contents of receipt.

Paragraph 3. The grade stated in a receipt issued for beans the identity of which is not to be preserved, stored in a warehouse, shall be stated as determined by the licensed grader who last graded the beans before the issuance of such receipt, and such receipt shall embody within its written or printed terms the following: (a) that the beans covered by the receipt were inspected by a licensed inspector, and (b) a form of indorsement which may be used by the depositor, or his authorized agent, for showing the ownership of, and liens, mortgages or other encumbrances on the beans covered by the receipt.

Grade or other class of beans

Paragraph 4. Whenever the grade or other class of beans is stated in a receipt issued for beans stored in a warehouse, such grade or other class shall be stated in the receipt in accordance with regulation 8.

When grade omitted receipt must be so marked.

Paragraph 5. If a warehouseman issues a receipt omitting the statement of grade on request of the depositor as permitted by section 18 of the act, such receipt shall have clearly and conspicuously stamped or written on the face thereof the words "Not graded on request of depositor."

Blank spaces in receipt to be filled in.

Paragraph 6. If a warehouseman issues a receipt under the act omitting any information not required to be stated for which a blank space is provided in the form of the receipt, a line shall be drawn through such space to show that such omission has been made by the warehouseman.

Copies of receipts.

SEC. 2. Copies of all receipts shall be made, and all such copies, except those issued in lieu of the original in case of lost or destroyed receipts, shall, if there be no statute of the United States or law of a State providing otherwise, have clearly and conspicuously printed or stamped thereon the words "Copy—Not Negotiable".

Lost or destroyed receipts

SEC. 3. *Paragraph 1.* In the case of a lost or destroyed receipt, if there be no statute of the United States or law of a State applicable thereto, a new receipt upon the same terms, subject to the same conditions, and bearing on its face the number and the date of the receipt in lieu of which it is issued and a plain and conspicuous statement that it is a duplicate issued in lieu of a lost or destroyed receipt, may be issued upon compliance with the conditions set out in paragraph 2 of this section.

Affidavit of loss or destruction of receipts

Paragraph 2. Before issuing such duplicate receipt the warehouseman shall require the depositor or other person applying therefor to make and file with the warehouseman (a) an affidavit showing that he is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it, how the original receipt was

lost or destroyed, and if lost, that diligent effort has been made to find the receipt without success and (b) a bond in an amount double the value, at the time the bond is given, of the beans represented by the lost or destroyed receipt. Such bond shall be in the form approved for the purpose by the Secretary, shall be conditioned to indemnify the warehouseman against any loss sustained by reason of the issuance of such duplicate receipt, and shall have as surety thereon (a) preferably, a surety company which is authorized to do business, and is subject to service of process in a suit on the bond, in the State in which the warehouse is located, or (b) at least two individuals who are residents of such State and each of whom owns real property therein having a value, in excess of all exemptions and encumbrances, to the extent of double the amount of the bond.

SEC. 4. No receipt shall be issued under the act except in form prescribed by the chief of the bureau and upon specially designed distinctive paper approved by him. Receipt blanks shall be procured only from such printer or printers as may be specially authorized by him to print receipts under the act. Paper for receipt blanks shall be procured only from a manufacturer approved by the chief of the bureau, and such manufacturer shall furnish such paper only to such person or persons as may be approved by the chief of the bureau. Receipt blanks shall not be printed except for a licensed warehouseman upon orders approved by the chief of the bureau, or his authorized representative. No printer shall use such paper except for printing authorized receipt blanks and shall not dispose of it in any other manner or for any other purpose. Printers shall account to the chief of the bureau or his authorized representative for all paper issued to them by the designated paper manufacturer.

Approval of
forms of receipts.

SEC. 5. If a warehouseman deliver a part only of a lot of beans for which he has issued a negotiable receipt under the act, he shall take up and cancel such receipt and issue a new receipt in accordance with these regulations for the undelivered portion of the beans. The new receipt shall show the date of issuance and also indicate the number and date of the old receipt.

Partial delivery
of beans.

SEC. 6. Except as permitted by law or by these regulations, a warehouseman shall not deliver beans for which he has issued a negotiable receipt until the receipt has been returned to him and canceled, and shall not deliver beans for which he has issued a nonnegotiable receipt until such receipt has been returned to him or he has obtained from the person lawfully entitled to such delivery, or his authorized agent, a written order therefor.

Return of re-
ceipts before de-
livery of beans

SEC. 7. No warehouseman shall, directly, or indirectly, by any means whatsoever, compel or attempt to compel the depositor of any beans stored in his licensed warehouse to request the issuance of a receipt omitting the statement of grade.

Warehouseman
not to attempt to
compel grade to be
omitted.

Regulation 5. Duties of Licensed Warehouseman

Beans must be inspected by licensed inspector.

SECTION 1. No warehouseman shall accept beans for storage or any other purpose until they have been inspected and approved by a licensed inspector, nor store beans the identity of which is not to be preserved until their grade has been determined by a licensed inspector.

Insurance against fire, lightning, or tornado.

SEC. 2. *Paragraph 1.* Each warehouseman, when so requested in writing by the depositor of or the lawful holder of the receipt of any beans, shall, to the extent to which, in the exercise of due diligence, he is able to procure such insurance, keep such beans while in his custody insured in his own name, or arrange for their insurance otherwise, to the extent so requested, against loss or damage by fire, lightning or tornado. When insurance is not carried in the warehouseman's name, the receipt shall show that the beans are not insured by him. Such insurance shall be covered by lawful policies issued by one or more insurance companies authorized to do such business, and subject to service of process in suits brought, in the State where the warehouse is located. If the warehouseman is unable to procure such insurance to the extent requested, he shall, orally or by telegraph or by telephone and at his own expense, immediately notify the person making the request. Nothing in this section shall be construed to prevent a warehouseman from adopting a rule that he will insure all beans.

Notice regarding insurance to be posted.

Paragraph 2. Each warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 5, and at such other place as the chief of the bureau or his representative may from time to time designate, a notice stating briefly the conditions under which beans will be insured against loss or damage by fire, lightning or tornado.

Warehouseman to collect and pay insurance.

Paragraph 3. Each warehouseman shall take promptly such steps as may be necessary and proper to collect any moneys which may become due under contracts of insurance entered into by him for the purpose of meeting the requirements of these regulations, and shall, as soon as collected, pay promptly to the persons concerned any portion of such moneys which they may be entitled to receive from him.

Premiums, inspection, and reports.

SEC. 3. Each warehouseman shall, in accordance with his contracts with insurance and bonding companies for the purpose of meeting the insurance and bonding requirements of these regulations, pay such premiums, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts.

Agreement as to shrinkage.

SEC. 4. When beans are received for storage, the warehouseman and the depositor shall agree upon an amount to be allowed for natural shrinkage and loss caused by rodents while the beans are in storage, and the amount so agreed upon shall be clearly stated in the warehouse receipt.

SEC. 5. Each warehouseman shall at all times exercise such care in regard to beans in his custody as a reasonably careful owner would exercise under the same circumstances and conditions. Care of beans in licensed warehouse

SEC. 6. If at any time a warehouseman shall handle beans other than for storage, or shall handle or store any other commodity, he shall so protect the same and otherwise exercise such care with respect to them as not to endanger the beans in his custody as a warehouseman or impair his ability to meet his obligations and perform his duties under the act and these regulations. If the warehouseman shall store commodities other than those for which he is licensed, a nonlicensed receipt shall be issued, which shall contain in its terms a provision that said commodities are accepted for storage only until such time as the space which they may occupy may be needed for products for the storage of which the warehouseman is licensed. Under no circumstances shall any commodities for the storage of which the warehouseman is not licensed be stored if the storage of such commodities might adversely affect the commercial value, or the insurance on beans covered by licensed receipts. Care of non-licensed beans or other commodities.

SEC. 7. Each warehouseman shall provide a metal fireproof safe, a fireproof vault, or a fireproof compartment in which he shall keep, when not in actual use, all records, books and papers pertaining to the warehouse, including his current receipt book, copies of receipts issued, and canceled receipts, except that with the written consent of the chief of the bureau, or his representative, upon a showing by such warehouseman that it is not practicable to provide such fireproof safe, vault, or compartment, he may keep such records, books and papers in some other place of safety, approved by the chief of the bureau or his representative. All canceled receipts shall be arranged by the warehouseman in numerical order as soon as possible after their cancellation and shall be preserved in numerical order thereafter. Records to be kept in safe places.

SEC. 8. A warehouseman shall not make any unreasonable or exorbitant charge for services rendered. Before a license to conduct a warehouse is granted under the act, the warehouseman shall file with the bureau a copy of his rules and a schedule of charges to be made by him if licensed. Before making any change in such rules or schedule of charges he shall file with the bureau a statement in writing showing the proposed change and the reasons therefor. Each warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 5, and at such other places, accessible to the public, as the chief of the bureau or his representative may from time to time designate, a copy of his current rules and schedule of charges. Warehouse charges

SEC. 9. *Paragraph 1.* Each warehouse shall be kept open for the purpose of receiving beans for storage and Business hours.

delivering beans out of storage every business day for a period of not less than six hours between the hours of 8 a. m. and 6 p. m., except as provided in paragraph 2 of this section. The warehouseman shall keep conspicuously posted on the door of the public entrance to his office and to his warehouse a notice showing the hours during which the warehouse will be kept open, except when such office or warehouse is kept open continuously from 8 a. m. to 6 p. m.

Closing of warehouse

Paragraph 2. If the warehouse is not to be kept open as above required, the notice shall state the period during which it is to be closed and the name and address of an accessible person authorized to make delivery upon lawful demand and surrender of the receipt.

Each lot of identity preserved beans to be tagged.

SEC. 10. Each warehouseman shall, upon acceptance for storage of any lot of sacked beans or of bulk beans to be specially binned, attach to such lot or bin an identification tag of good quality, or stencil a sufficient number of sacks in the lot in such manner as will readily make possible the identification of the lot at all times. Such tags shall show the lot number, the number of the receipt issued to cover such beans, the number of sacks in the lot, the variety or type of the beans, their grade, if determined, their net weight when they entered storage, and the date they entered storage.

Arrangement and tagging of stored beans.

SEC. 11. Each warehouseman shall so store each lot of beans for which a receipt under the act has been issued that the tag or stencil identification marks thereon, required in section 10 of this regulation, are visible and readily accessible, and shall arrange all bags in his warehouse so as to permit making a determination of the number of bags in storage at any time.

Nonidentity preserved beans to be accepted and delivered according to grades and weights determined by licensed inspectors and weighers.

SEC. 12. All beans the identity of which is not to be preserved or has not been preserved shall be accepted for and delivered out of storage only on the basis of grades and weights determined by licensed inspectors and weighers.

Delivery of bulk beans.

SEC. 13. Except as may be provided by law or these regulations, each warehouseman, (a) upon proper presentation of a receipt for any beans, other than bulk beans specially binned, and upon payment or tender of all advances and legal charges, shall deliver to such depositor or lawful holder of such receipt, beans of the grade and quantity specified in such receipt, after making due allowance for such shrinkage as the receipt stipulates, and (b) upon proper presentation of a receipt for any beans the identity of which was to have been preserved during the storage period, and upon payment or tender of all advances and legal charges shall deliver to the person lawfully entitled thereto the identical beans stored in his warehouse.

Delivery of identity preserved beans.

System of accounts.

SEC. 14. Each warehouseman shall use for his warehouse a system of accounts, approved for the purpose by

the chief of the bureau, or his authorized representative, which shall show for each bag or lot of beans the name of the depositor, the weight of the beans, the number of bags in each lot, the grade when grade is required to be, or is, ascertained, the location in the warehouse, the dates received for and delivered out of storage, the receipts issued and canceled, a separate record for each depositor, and such accounts shall include a detailed record of all moneys received and disbursed and of all effective insurance policies. In the case of beans the identity of which is to be preserved the tag number or stencil identification mark mentioned in section 10 of this regulation shall be shown.

SEC. 15. Each warehouseman shall, from time to time, make such reports as the chief of the bureau may require, on forms prescribed and furnished for the purpose by the bureau, concerning the condition, contents, operation, and business of the warehouse.

Reports.

SEC. 16. Each warehouseman shall keep on file, as a part of the records of the warehouse, for such period as may be prescribed by the bureau, an exact copy of each report submitted by such warehouseman under this regulation.

Copies of reports to be kept.

SEC. 17. Each warehouseman, when requested by the bureau, shall forward his canceled receipts for auditing to Washington or to such field offices of the bureau as may be designated from time to time. For the purpose of this section, only such portion as the bureau may designate of each canceled receipt, numbered to correspond with the actual receipt number, need be submitted.

Canceled receipts to be forwarded to bureau for auditing.

SEC. 18. Each warehouseman shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to enter and inspect or examine at any time any warehouse for the conduct of which such warehouseman holds a license, the office thereof, the books, records, papers, and accounts relating thereto, and the contents thereof, and shall furnish such officer or agent the assistance necessary to enable him to make any inspection or examination under this section.

Inspections and examinations of warehouses

SEC. 19. The weighing apparatus used for ascertaining the weight stated in a receipt or certificate shall be subject to examination by an officer or agent of the Department of Agriculture employed for such purpose. If the bureau shall disapprove such weighing apparatus, it shall not thereafter, unless such disapproval be withdrawn, be used in ascertaining the weight of any beans for the purposes of the act and these regulations.

Inspection of weighing apparatus.

SEC. 20. Each warehouseman shall keep his warehouse clean and free from trash, excessive dirt, rubbish, and scattered beans. He shall also exercise every precaution to keep his warehouse free of rats or other pests that might cause damage or injury to beans in storage. The

Warehouse to be kept clean.

warehouseman shall not under any circumstances accept for storage in his warehouse beans showing the presence of weevil or the larvæ of weevil, nor continue to keep in storage beans so affected, without treating them in such manner as will destroy such weevil and larvæ or with such chemicals as may be approved by the bureau for that purpose.

Duty to fumigate.

SEC. 21. When necessary, in the opinion of the chief of the bureau or his representative, the warehouseman shall fumigate thoroughly his warehouse with chemicals approved by the bureau.

Storage of damp, dirty, or frosted beans prohibited.

SEC. 22. A warehouseman shall not, under any circumstances, accept for storage any beans with moisture content in excess of 17 per cent, that contain foreign material likely to injure the keeping qualities of the beans or adversely affect their commercial value, or that are otherwise of a condition rendering them unsuitable for storage, but he may accept such beans for conditioning purposes and for storage after conditioning.

Beans to be stored so as not to damage.

SEC. 23. A warehouseman shall so handle and so store beans as not to injure or damage them in any manner.

Procedure prior to reconditioning deteriorating beans.

SEC. 24. If the warehouseman considers that any beans in his warehouse are out of condition, or becoming so, he shall direct the licensed inspector to examine the beans in question, and, if such inspector finds such beans to be out of condition or becoming so, and he is of opinion that such beans can be brought back into condition by mechanical or other means, or that further deterioration can be prevented, the warehouseman shall give immediate notice of the facts to the persons and in the manner specified in section 25, paragraphs 2 and 3, of this regulation. If, within 24 hours after the giving of such notice, the owners of such beans have not otherwise directed as to the disposition of same, such warehouseman, with the approval of the licensed inspector, shall subject the beans to the proper reconditioning process in his licensed warehouse to the extent to which it is equipped with machinery suitable for the purpose, otherwise in any other warehouse so equipped.

Notice.

Procedure to handle beans in which deterioration can not be stopped.

SEC. 25. *Paragraph 1.* If a warehouseman, with the approval of the licensed inspector, shall determine that any beans are deteriorating and that such deterioration can not be stopped, he shall give immediate notice thereof in accordance with paragraphs 2 and 3 of this section.

Contents of notice.

Paragraph 2. Such notice shall state (a) the warehouse in which the beans are stored, (b) the quantity, kind, and grade of the beans at the time the notice is given, (c) the actual condition of the beans as nearly as can be ascertained, and the reason, if known, for such condition, and (d) the outstanding receipts covering the beans out of condition, giving the number and date of each such receipt and the quantity, the kind and grade of the beans as stated in each such receipt.

Paragraph 3. A copy of such notice shall be delivered in person or shall be sent by mail (a) to the persons holding the receipts if known to the warehouseman, (b) to the person who originally deposited the beans, (c) to any other persons known by the licensed warehouseman to be interested in the beans, (d) to the chief of the bureau, and (e) public notice shall also be given by posting a copy of such notice at the place where the warehouseman is required to post his license. If the holders of the receipts and the owners of the beans are known to the warehouseman and can not, in the regular course of the mails, be reached within 12 hours, the warehouseman shall, whether or not requested so to do, also immediately notify such persons by telegraph or telephone at their expense.

Persons to whom notice shall be sent.

Notice to be posted.

Paragraph 4. Any person, interested in any beans or the receipt covering such beans stored in a licensed warehouse, may, in writing, notify the warehouseman of his interest, and such warehouseman shall keep a record of that fact. If such person request in writing that he be notified regarding the condition of any such beans and agree to pay the cost of any telegraph or telephone toll charge, such warehouseman shall notify such person in accordance with such request.

Record of persons interested in receipt for beans.

Paragraph 5. If the beans, advertised in accordance with the requirements of this regulation, have not been removed from storage by the owner thereof within seven days from the date of notice of their being out of condition, the warehouseman may sell the same at public auction at the expense and for the account of the owner, after giving seven days' notice of such proposed sale in the manner specified in paragraphs 2 and 3 of section 25 of this regulation.

Beans may be sold at public auction after notice.

Paragraph 6. Nothing contained in this section shall be construed as relieving the warehouseman from properly caring for any beans after sending notification of their condition in accordance with this section.

Warehouseman not relieved from properly caring for beans at all times.

SEC. 26. If at any time a warehouseman shall be offered for storage in his warehouse beans in excess of the licensed capacity as shown on his license, he shall not accept such beans until he has first secured authority through an amended license, and after such authority has been granted, the warehouseman shall continue to so arrange the beans as not to obstruct free access thereto and the proper use of sprinklers or other fire protection equipment provided for such warehouse.

Excess storage.

SEC. 27. Except as may be permitted by law or these regulations, a warehouseman shall not remove any beans from the warehouse or the part thereof designated in the receipt, unless such receipt is first surrendered and canceled. Under no circumstances, unless it becomes absolutely necessary to protect the interests of holders of receipts, shall beans be removed from the warehouse before the surrender of receipts, and immediately upon

Removal of beans from storage.

any such removal the warehouseman shall notify the chief of the bureau of such removal and the necessity therefor.

Warehouseman must comply with State law and his contracts.

SEC. 28. Each warehouseman shall faithfully perform his obligation as a warehouseman under the laws of the State in which he is conducting his warehouse and such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of beans in such warehouse.

Fire loss to be reported by telegram.

SEC. 29. If at any time a fire shall occur at or within any licensed warehouse, it shall be the duty of the warehouseman to report immediately by telegram to the chief of the bureau the occurrence of such fire and the extent of damage.

Copies of inspection or weight certificate to be filed

SEC. 30. When an inspection or weight certificate has been issued by a licensed inspector or weigher, a copy of such certificate shall be filed with the warehouseman in whose warehouse the beans covered by such certificate are stored, and such certificate shall become a part of the records of the warehouseman.

Regulation 6. Fees.

Warehouse license fees.

SECTION 1. There shall be charged, assessed, and collected a fee of \$2 for each warehouseman's license.

Warehouse inspection fees.

SEC. 2. There shall be charged, assessed, and collected for each original examination or inspection of a warehouse under the act, when such examination or inspection is made upon application by a warehouseman, a fee at the rate of \$1 for each 1,000 hundredweight of the storage capacity, or fraction thereof, determined in accordance with paragraph 1 of section 2 of regulation 3, but in no case less than \$5 nor more than \$50, and, for each reexamination or reinspection applied for by such warehouseman, a fee based on the extent of the reexamination or reinspection, proportioned to, but not greater than that prescribed for the original examination or inspection.

Advance deposit

SEC. 3. Before any warehouseman's license, modification or extension thereof is granted, or before a reexamination or reinspection applied for by a warehouseman is made, the warehouseman shall deposit with the bureau the amount of the fee prescribed therefor. Such deposit shall be made in the form of a check, certified if required by the bureau, or postoffice or express money order, payable to the order of "Disbursing Clerk, Department of Agriculture."

Return of excess deposit.

SEC. 4. The disbursing clerk of the United States Department of Agriculture shall hold in his custody each advance deposit made under this regulation until the fee, if any, is assessed and he is furnished by the bureau with a statement showing the amount thereof and against whom assessed. Any part of such advance deposit which is not required for the payment of any fee assessed shall be returned to the party depositing the same.

Regulation 7. Licensed Inspectors and Weighers

SECTION 1. *Paragraph 1.* Applications for licenses to inspect and grade or to weigh beans under the act shall be made to the chief of the bureau on forms furnished for the purpose by him. Licensed inspectors and weighers.

Paragraph 2. Each such application shall be in English, shall be signed by the applicant, shall be verified by him under oath or affirmation administered by a duly authorized officer, and shall contain or be accompanied by (a) satisfactory evidence that he has passed his twenty-first birthday, (b) the name and location of a warehouse or warehouses licensed, or for which application for license has been made, under the act, in which beans sought to be inspected and weighed under such license are or may be stored, (c) a statement from the warehouseman conducting such warehouse showing whether the applicant is competent and is acceptable to such warehouseman for the purpose, (d) satisfactory evidence that he has had at least one year's experience in the kind of service for which a license is sought or the equivalent of such experience, and that he is competent to perform such services, except in the case of applicants for weighers' licenses one month's experience will be sufficient, (e) a statement by the applicant that he agrees to comply with and abide by the terms of the act and these regulations so far as the same may relate to him, and (f) such other information as the bureau may deem necessary, provided, that when an application for a license to inspect beans is filed by a person who does not intend to inspect for any particular licensed warehouseman but who does intend to inspect beans stored or to be stored in a licensed warehouse and to issue inspectors' certificates therefor, as provided for by the act and these regulations, independent of the warehouse receipts issued to cover such beans, it shall not be necessary to furnish such statement as is required by subdivision (c) of this paragraph. A application forms.

Paragraph 3. The applicant shall at any time furnish such additional information as the Secretary or the chief of the bureau shall find to be necessary to the consideration of his application. Contents. Applicant must furnish additional information if required.

Paragraph 4. A single application may be made by any person for a license to inspect and to weigh upon complying with all the requirements of this section. Combined inspector's and weigher's application.

SEC. 2. Each applicant for a license as an inspector or as a weigher and each licensed inspector or licensed weigher shall, whenever requested by an authorized agent of the Department of Agriculture designated by the chief of the bureau for the purpose, submit to an examination or test to show his ability properly to perform the duties for which he is applying for license or for which he has been licensed. Examination.

SEC. 3. Each licensed inspector shall keep his license conspicuously posted in the office where all or most of Posting of license.

the inspecting is done, and each licensed weigher shall keep his license conspicuously posted in the warehouse office or in such place as may be designated for the purpose by the bureau.

Duties of inspector and weigher.

SEC. 4. Each inspector and each weigher, when requested, shall, without discrimination, as soon as practicable, and upon reasonable terms, inspect or weigh and certificate the condition, grade, or weight for storage of beans stored or to be stored in a licensed warehouse, if such beans be offered to him under such conditions as permit proper inspection and the determination of the condition, grade, or weight thereof, as the case may be. Each such licensee shall give preference to persons who request his services as such over persons who request his services in any other capacity. No inspection or weight certificate shall be issued under the act for beans not stored or not to be stored in a licensed warehouse.

Inspection certificate.

SEC. 5. Each inspection certificate issued under the act by a licensed inspector shall be in a form approved for the purpose by the bureau and shall embody within its written or printed terms (a) the caption, "United States warehouse act, Bean Inspection Certificate," (b) whether it is an original, a duplicate, or other copy, (c) the name and location of the warehouse in which the beans are or are to be stored, (d) the date of the certificate, (e) the location of the beans at the time of inspection, (f) the identification number or mark of each lot of beans the identity of which is or is to be preserved, given in accordance with regulation 5, section 10, (g) the grade, dockage, or pick and condition of the beans for storage at the time of inspection, (h) that the certificate is issued by a licensed inspector, under the United States warehouse act and regulations thereunder, (i) a blank space designated for the purpose in which may be stated any general remarks on the condition of the beans, (j) the signature of such licensed inspector. In addition, the inspection certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first secured.

Weight certificate.

SEC. 6. Each weight certificate issued under the act by a licensed weigher shall be in a form approved for the purpose by the bureau, and shall embody within its written or printed terms (a) the caption "United States warehouse act, Bean Weight Certificate," (b) whether it is an original, a duplicate, or other copy, (c) the name and location of the warehouse in which the beans are to be stored, (d) the date of the certificate, (e) the location of the beans at the time of weighing, (f) the identification number or mark of each lot of beans, the identity of which is or is to be preserved, given in accordance with regulation 5, section 10, (g) the net weight of the beans, (h) that the certificate is issued by a licensed weigher,

under the United States warehouse act and the regulations thereunder, and (i) the signature of such licensed weigher. In addition, the weight certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first secured.

SEC. 7. The weight, grade, and condition of any beans ascertained by a licensed inspector or a licensed weigher may be stated on a certificate meeting the combined requirements of sections 5 and 6 of this regulation, if the form of such certificate shall have been approved for the purpose by the bureau.

Combined inspection and weight certificates

SEC. 8. Each licensed inspector and each licensed weigher shall keep for a period of one year in a place accessible to persons financially interested in the beans a copy of each certificate issued by him under these regulations and shall file a copy of each such certificate with the warehouse in which the beans covered by the certificate are stored.

Copies of certificates to be kept.

SEC. 9. Each licensed inspector and each licensed weigher shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to inspect or examine at any time, his books, papers, records, and accounts relating to the performance of his duties under the act and these regulations, and shall, with the consent of the warehouseman concerned, assist any such officer or agent in the inspection or examination of records mentioned in section 14 of regulation 5, as far as any such inspection or examination relates to the performance of the duties of such licensed inspector or licensed weigher under the act and these regulations.

Licensees to permit and assist in examination.

SEC. 10. Each licensed inspector and each licensed weigher shall, from time to time, when requested by the bureau, make reports on forms furnished for the purpose by the bureau, bearing upon his activities as such licensed inspector or licensed weigher.

Reports.

SEC. 11. Pending investigation, the Secretary may, whenever he deems necessary, suspend the license of an inspector or of a weigher temporarily without hearing. Upon a written request and a satisfactory statement of reasons therefor, submitted by the inspector or weigher, or when the inspector or weigher has ceased to perform such services at the warehouse, the Secretary may, without hearing, suspend or cancel the license issued to such inspector or weigher. The Secretary may, after opportunity for hearing, when possible, has been afforded in the manner prescribed in this section, suspend or cancel a license issued to an inspector or a weigher when such inspector or weigher has in any manner become incompetent or incapacitated to perform the duties of a licensed inspector or licensed weigher. As soon as it shall come to the attention of a warehouseman that any

Suspensions, revocations, or cancellation of inspector's or weigher's license.

of the conditions mentioned in this section exist, it shall be his duty to notify in writing the bureau. Before the license of any inspector or weigher is suspended or revoked pursuant to section 12 of the act, such licensee shall be furnished by the Secretary, or by his representative, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4.

Return of suspended, revoked, or canceled inspector's or weigher's licenses

SEC. 12. *Paragraph 1.* If a license issued to an inspector or to a weigher is suspended, revoked, or canceled by the Secretary, it shall be returned to the Secretary. At the expiration of any period of suspension of a license, unless in the meantime it be revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, and it shall be returned to the inspector or weigher to whom it was originally issued, and it shall be posted as prescribed in section 3 of this regulation.

License terminates with warehouse license.

Paragraph 2. Any license issued to an inspector or weigher shall automatically terminate as to any warehouse whenever the license of such warehouse shall be suspended, revoked or canceled. Thereupon the license of such inspector or weigher shall be returned to the Secretary. If such license is applicable to warehouses other than those for which the licenses have been suspended, revoked, or canceled, the Secretary shall issue a new license to the inspector or weigher, omitting the names of the warehouses for which licenses have been so suspended, revoked, or canceled. Such new licenses shall be posted as prescribed in section 3 of this regulation.

Lost or destroyed inspector's or weigher's licenses.

SEC. 13. Upon satisfactory proof of the loss or destruction of a license issued to an inspector or a weigher, a duplicate thereof may be issued under the same or a new number, in the discretion of the Secretary.

Unlicensed inspectors and weighers must not represent themselves as licensed.

SEC. 14. No person shall in any way represent himself to be an inspector or weigher licensed under the act unless he holds an unsuspended, unrevoked, and uncanceled license issued under the act.

Regulation 8. Bean Inspection and Classification

Variety, grade and condition to be stated in accordance with regulations.

SECTION 1. Whenever the variety, grade, or condition of beans is required to be or is stated for the purposes of this act and these regulations, it shall be stated in accordance with this regulation.

Standards to be used.

SEC. 2. Until such time as official bean grades of the United States are in effect, the variety, grade and condition of beans shall be stated as far as applicable (a) in accordance with the State standards, if any, established

in the State in which the warehouse is located, (b) in the absence of any State standards, in accordance with the standards, if any, adopted by any bean organization or by the bean trade generally in the locality in which the warehouse is located, subject to the disapproval of the chief of the bureau, or (c) in the absence of the aforesaid standards in accordance with any standards approved by the chief of the bureau.

SEC. 3. Whenever the variety, grade or condition of beans is stated for the purposes of this act and these regulations, the terms used shall be correctly applied and shall be so selected as not to convey a false impression of the beans. In case of doubt as to the variety, grade or condition of a given lot of beans, a determination shall be made of such facts by drawing samples fairly representative of the contents of the lot of beans offered for storage. These samples shall be thoroughly mixed, and after being so mixed, from this mixture by quartering a sufficient quantity shall be taken which shall constitute the sample for the purpose of determining the grade.

Statement of
variety, grade and
condition.

Regulation 9. Appeal of Grades

SECTION 1. *Paragraph 1.* If a question arises as to whether the variety, grade or condition of the beans was correctly stated in a receipt or inspection certificate issued under the act or these regulations, the warehouseman concerned or any person financially interested in the beans involved may, after reasonable notice to the other party, submit the question to such representatives of the bureau as the chief of bureau may appoint. The decision of the representatives of the bureau shall be final, unless the chief shall direct a review of the question. Immediately upon making their decision, the representatives of the bureau shall issue a certificate embodying their findings to the appellants and the licensee or licensees involved.

Method of ap-
peal in case of dis-
pute.

Paragraph 2. If the decision of the representatives of the bureau be that the variety, grade, or condition was not correctly stated, the receipt or certificate involved shall be returned to and canceled by the licensee who issued it, and the licensee shall issue in lieu thereof a new receipt or certificate embodying therein the statement of variety, grade, or condition in accordance with the findings of the representatives of the bureau.

New receipts or
certificates to be
issued.

Paragraph 3. All necessary and reasonable expense of such arbitration shall be borne by the losing party, unless the chief of bureau or his representative shall decide that the expense should be prorated between the parties.

Assessment of
expenses.

Regulation 10. Miscellaneous

Regulations ap-
plicable to State
warehouses

SECTION 1. Every person applying for a license, or licensed under section 9 of the act, shall, as such, be subject to all portions of these regulations except regulation 2, section 3, so far as they may relate to warehousemen. If there is a law of any State providing for a system of warehouses owned, operated, or leased by such State, a person applying for a license under section 9 of the act, to accept the custody of beans and to store the same in any of said warehouses, may, in lieu of a bond or bonds, complying with regulation 3, sections 1 and 2, file with the Secretary a single bond meeting the requirements of the act and these regulations, in such form and in such amount not less than \$5,000 as he shall prescribe, to insure the performance by such person, with respect to the acceptance of the custody of beans and their storage in the warehouses in such system for which licenses are or may be issued, of his obligations arising during the periods of such licenses, and in addition, if desired by the applicant, during the periods of any modifications of extensions thereof. In fixing the amount of such bond, consideration shall be given, among other appropriate factors, to the character of the warehouses involved, their actual or contemplated capacity, the bonding requirements of the State, and its liability with respect to such warehouses. If the Secretary shall find the existence of conditions warranting such action, there shall be added to the amount of the bond so fixed a further amount, fixed by him, to meet such conditions.

Publications.

SEC. 2. Publications under the act and these regulations shall be made in Service and Regulatory Announcements of the Bureau of Agricultural Economics, and such other media as the chief of that bureau may from time to time designate for the purposes.

Violations of
act and regula-
tions to be re-
ported.

SEC. 3. Every person licensed under the act shall immediately furnish the chief of the bureau any information which comes to the knowledge of such person tending to show that any provision of the act or these regulations has been violated.

Procedure
hearings in

SEC. 4. For the purpose of a hearing under the act and these regulations, except regulation 9, the licensee involved shall be allowed a reasonable time, fixed by the Secretary or by an official of the Department of Agriculture designated by him for the purpose, within which affidavits and other proper evidence may be submitted. If requested by the licensee within such time, an oral hearing, of which reasonable notice shall be given, shall be held before and at a time and place fixed by, the Secretary or an official of the Department of Agriculture designated by him for the purpose. The testimony of the witnesses at such oral hearing shall be upon oath or

affirmation administered by the official before whom the hearing is held, when required by him. Such oral hearing may be adjourned by him from time to time. After reasonable notice to all parties concerned, the deposition of any witness may be taken at a time and place and before a person designated for the purpose by the Secretary or an official of the Department of Agriculture authorized by the Secretary. Every written entry in the records of the Department of Agriculture made by an officer or employee thereof in the course of his official duty, which is relevant to the issue involved in a hearing, shall be admissible as prima facie evidence of the facts stated therein without the production of such officer or employee. Copies of all papers and all the evidence submitted or considered in such hearing shall be made a part of the records of the Department of Agriculture. The records and, when there has been an oral hearing other than by the Secretary, the recommendation of the official holding such oral hearing shall be transmitted to the Secretary for his consideration. Each party shall pay all expenses contracted by him in connection with any hearing under this section.

SEC. 5. Nothing in these regulations shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, inspectors, or weighers, nor shall these regulations be construed so as to limit the operation of any statute of the United States relating to warehouses, warehousemen, inspectors, or weighers now in force in the District of Columbia, or in any Territory or other place under the exclusive jurisdiction of the United States.

No conflict with
State or Federal
laws.

SEC. 6. Any amendment to, or revision of, these regulations, unless otherwise stated therein, shall apply in the same manner to persons holding licenses at the time it becomes effective as it applies to persons thereafter licensed under the act.

Amendments.

ADDITIONAL COPIES
OF THIS PUBLICATION MAY BE PROCURED FROM
THE SUPERINTENDENT OF DOCUMENTS
GOVERNMENT PRINTING OFFICE
WASHINGTON, D. C.
AT
5 CENTS PER COPY

▽

